

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

February 29, 2020

A handwritten signature in dark ink, appearing to read 'E. H. Schied', is positioned below the date.

**EUGENE H. SCHIED
ACTING CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND**

MANAGEMENT OVERVIEW

February 29, 2020

Background

The Community Development Revolving Loan Fund (CDRLF) was established by an act of Congress (Public Law 96-123, November 20, 1979) to stimulate economic development in low-income communities. The Community Development Credit Union Transfer Act (Public Law 99-609, November 6, 1986) transferred CDRLF administration to the NCUA. The NCUA Board adopted amendments to Part 705 of NCUA Rules and Regulations on September 16, 1987, and began making loans/deposits to participating credit unions in 1990.

The purpose of the CDRLF is to stimulate economic activities in the communities served by low-income credit unions which will result in increased income, ownership and employment opportunities for low-wealth residents, and other economic growth. The policy of the NCUA is to revolve the loans to qualifying credit unions as often as practical in order to gain maximum impact on as many participating credit unions as possible.

Balance Sheet

Between February 2019 and February 2020, cash and cash equivalents increased by \$4.6 million, primarily due to:

- a. received \$3.5 million in appropriations from Congress (\$2.0 million in March 2019 and \$1.5 million in January 2020)
- b. received \$3.3 million in loan principal and interest payments,
- c. disbursed \$1.0 million in new loans, and
- d. disbursed \$1.4 million in technical assistance grants

Between February 2019 and February 2020, loans receivable decreased \$2.4 million as a result of four new loans issued less eight loan maturities and one principal paydown.

Statements of Revenues, Expenses, and Changes in Fund Balance

During February 2020, the fund earned approximately \$15 thousand in interest revenue.

**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
BALANCE SHEETS
As of February 29, 2020 and February 28, 2019
(Dollars in thousands)**

| | February 2020 | February 2019 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 15,326 | 10,721 |
| Loans Receivable | 5,280 | 7,705 |
| Interest Receivable | 10 | 10 |
| TOTAL ASSETS | \$ 20,616 | 18,436 |
| LIABILITIES AND FUND BALANCE | | |
| Accrued Technical Assistance Grants | \$ 2,968 | 2,844 |
| Fund Balance | | |
| Fund Capital | 15,675 | 13,708 |
| Accumulated Earnings | 1,973 | 1,884 |
| Total Fund Balance | 17,648 | 15,592 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 20,616 | 18,436 |

The balances in the statement above are preliminary and unaudited

**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
STATEMENTS OF OPERATIONS
For the Periods Ended February 29, 2020 and February 28, 2019
(Dollars in thousands)**

| | <u>February 2020</u> | <u>Year-to-Date February 2020</u> | <u>Year-to-Date February 2019</u> |
|--------------------------------------|----------------------|---------------------------------------|---------------------------------------|
| REVENUES | | | |
| Interest on Cash Equivalents | \$ 12 | \$ 24 | 26 |
| Interest on Loans | \$ 3 | \$ 6 | 7 |
| Appropriations Used | - | - | 0 |
| Canceled Technical Assistance Grants | (176) | (176) | (34) |
| TOTAL REVENUE | <u>(161)</u> | <u>(146)</u> | <u>(1)</u> |
| EXPENSES | | | |
| Technical Assistance Grants | - | - | 8 |
| Canceled Technical Assistance Grants | (193) | (193) | (34) |
| Provision for Loan Losses | - | - | 0 |
| TOTAL EXPENSES | <u>(193)</u> | <u>(193)</u> | <u>(26)</u> |
| NET INCOME / (LOSS) | <u>\$ 32</u> | <u>47</u> | <u>25</u> |

The balances in the statement above are preliminary and unaudited

**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
STATEMENT OF CHANGES IN FUND BALANCE
For the Periods Ended February 29, 2020 and December 31, 2019
(Dollars in thousands)**

| | <u>For Loans</u> | <u>Fund Capital For Technical Assistance</u> | <u>Total Fund Capital</u> | <u>Accumulated Earnings</u> | <u>Total Fund Balance</u> |
|--|------------------|--|-------------------------------|---------------------------------|-------------------------------|
| December 31, 2018 | 13,388 | \$ 287 | \$ 13,675 | \$ 1,858 | \$ 15,533 |
| Appropriations Received | | 2,000 | 2,000 | | 2,000 |
| Appropriations Used | | (1,983) | (1,983) | | (1,983) |
| Canceled Appropriations - Returned to Treasury | | (33) | (33) | | (33) |
| Canceled Technical Assistance Grants | | 340 | 340 | | 340 |
| Net Income / (Loss) | | | | 68 | 68 |
| December 31, 2019 | <u>13,388</u> | <u>\$ 611</u> | <u>\$ 13,999</u> | <u>\$ 1,926</u> | <u>\$ 15,925</u> |
| Appropriations Received | | 1,500 | 1,500 | | 1,500 |
| Appropriations Used | | | - | | - |
| Canceled Appropriations - Returned to Treasury | | | - | | - |
| Canceled Technical Assistance Grants | | 176 | 176 | | 176 |
| Net Income / (Loss) | | | | 47 | 47 |
| January 31, 2020 | <u>\$ 13,388</u> | <u>\$ 2,287</u> | <u>\$ 15,675</u> | <u>\$ 1,973</u> | <u>\$ 17,648</u> |

The balances in the statement above are preliminary and unaudited